



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
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No. 2004/016

March 23, 2004

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

PROPERTY TAX RULE 305.3,  
APPLICATION FOR EQUALIZATION UNDER REVENUE AND TAXATION CODE  
SECTION 469

On September 29, 2003, the Board received a petition pursuant to Government Code section 11340.6 from Honorable Joan Thayer, President, California Assessors' Association (CAA), proposing that the Board commence the rulemaking process to amend Property Tax Rule 305.3, *Application for Equalization Under Revenue and Taxation Code Section 469*. At a meeting on December 4, 2003, the Board directed staff to work with interested parties to discuss the issues that were raised in the petition and to schedule the rule for action by the Property Tax Committee.

Enclosed is a matrix showing the two changes to Rule 305.3 proposed by the CAA in the petition. If you have comments about the proposed amendments, please submit your comments by April 30 to Ms. Sherrie Kinkle in the Property and Special Taxes Department. You may email your submission to [sherrie.kinkle@boe.ca.gov](mailto:sherrie.kinkle@boe.ca.gov).

The project is tentatively scheduled to proceed as follows:

- April 30, 2004: Deadline for interested parties to submit comments.
- May 2004: Staff to post a copy of a matrix summarizing comments received from interested parties to the Board's Web site ([www.boe.ca.gov/proptaxes/ptcwcont.htm](http://www.boe.ca.gov/proptaxes/ptcwcont.htm)).
- June 2004: Staff to meet with interested parties to discuss the proposed amendments.
- August 2004: Property Tax Committee to consider petition to amend the rule.

All documents regarding this project will be posted to the Board's Web site at [www.boe.ca.gov/proptaxes/ptcwcont.htm](http://www.boe.ca.gov/proptaxes/ptcwcont.htm). If you have questions regarding this project or would like to receive future documents concerning this project electronically, you may contact Ms. Kinkle at (916) 322-2921.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:sk  
Enclosure

**PROPERTY TAX RULE 305.3,**  
***Application for Equalization Under Revenue and Taxation Code Section 469***

**Petition for rule amendment by the**  
**California Assessors' Association – September 25, 2003**

<b>NO.</b>	<b>SUBSECTION</b>	<b>PROPOSED LANGUAGE</b>
1	(b)(2)	"Property subject to an escape assessment" means any individual item of the assessee's property that was underassessed or not assessed at all when the assessor made the original assessment of the assessee's property, and which has not been previously equalized by an appeals board, regardless of whether the assessor actually makes or enrolls an escape assessment. Property is subject to an escape assessment even if the audit discloses an overassessment of another portion of an item of the property, and the amount of the underassessment could be offset completely by the amount of overassessment. If the audit discloses that any property was subject to an escape assessment, the assessor shall include that fact as a finding presented to the taxpayer as required by Rule 191. If no such finding is made by the assessor, the taxpayer may file an application and present evidence to the board of the existence and disclosure of property <b><u>of material value</u></b> subject to escape assessment. If the board determines that property subject to escape assessment was disclosed as a result of an audit, the board shall permit the taxpayer's section 469 appeal.
2	(b)(3)	"Result of an audit" means the final conclusions reached by the assessor during the audit process as described in Rule 191 and shall include a description of any property subject to escape assessment as noted in the audit work papers, <del>or as identified in writing by the taxpayer.</del>